



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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May 17, 2000

Joseph R. Bistryski, District Ranger
Duchesne Ranger District
P.O. Box 981
Duchesne, Utah 84021

Re: Amended Notice of Intention to Commence Small Mining Activities, Uintah Mountain Copper Company, Sunshine Quartz/Hematite Project, S/013/002, Uintah County, Utah

Dear Mr. Bistryski:

On April 27, 2000, this Division received a copy of the revised Plan of Operations from the USFS for the Uintah Mountain Copper Company's (UMCC) Sunshine Quartz/Hematite Project. The project is located on USFS managed land in Sections 10 & 15, T2N, R6W, SLBM, Uintah County, Utah. This information does not satisfy the notice requirements of Rule R647-3 of the Utah Mined Land Reclamation Act of 1975, Title 40-8, et seq., Utah Code Annotated. Please notify the operator accordingly in your response letter and forward a copy of your response letter to the operator to the Division for our records.

To date this site has been permitted with the Division as a small mine operation authorized to disturb up to 5 acres of surface area. Our files contain a copy of the meeting minutes between USFS and UMCC on 11/10/97 which noted that the USFS would no longer permit the camp and access road separate from the mine operation. Instead these two features would become a part of the plan of operations. Presently the road is noted as 6.5 miles long with a 30' right-of-way (23.6 acres) and the camp, as described, at a total of five (5) acres.

R647-1 of the Minerals Rules defines "affected lands" as: the surface and subsurface of an area within the state where mining operations are being or will be conducted, including, but not limited to: (a) on-site private ways, roads, and railroads; (b) land excavations; (c) exploration sites; (d) drill sites or workings; (e) refuse banks of spoil piles; (f) evaporation or settling ponds; (g) stockpiles; (h) leaching dumps; (k) work, parking, storage, or waste discharge areas, structures, and facilities. Lands affected does not include: (x) lands which have been reclaimed in accordance with an approved plan or as otherwise approved by the board, (y) lands on which mining operations ceased prior to July 1, 1977, or (z) lands on which previously exempt mining operations ceased prior to April 29, 1989. Because these two features are now a part of the plan

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of operations this proposal will now be categorized by the Division as a large mine operation (>5 acres of disturbance).

R647-4 of the Amended and New Rules of the Minerals Reclamation Program, "Large Mine Operation," describes the Division requirements for filing for a large mine permit. Because UMCC presently has an active small mine permit with the Division, much of the required information is already on file. A copy of the Amended Rules is enclosed to provide the operator with the additional filing requirements for a large mine permit.

In Section B of the Supplemental Discussion to the 1999 Plan of Operations, a Forest Service approved "borrow area" was mentioned. Please instruct the operator to include this location on a scaled site map, and provide an estimate of the surface disturbance for this feature and amount of material to be borrowed for reclamation.

In Section E of this Plan, a turn-around is proposed on the haulroad within 600 feet of the pit area. In the Supplemental Discussion of the 1999 Plan of Operations a length of 50 feet is described in the submission, but the overall area disturbed by this road widening is not noted. This feature should be shown on the scaled site map. Is the haulroad and turnaround considered a part of the 6.5 mile access road by the USFS or is this additional disturbance included as a part of the mine site? Also in this section of the plan, a conveyor system is described which will load the 12-ton dump trucks 600 feet below the mine area. Has the operator included a description of the disturbance associated with this conveyor in the disturbed acreage? The operator will need to include this feature on the surface facilities map.

Mining to date has disturbed a minimal amount of area (.02 acres). Total Phase II/III disturbances could not be estimated because scaled maps were not included with the plan which would have been used for this purpose. The operator will need to provide the Division with the maps and the information requested above. The Division will suspend review of this proposal until a response providing the additional information is received.

A Memorandum of Understanding between the Division and the USFS, allows the USFS to act as "Lead Agency" when dealing with the operator with regard to the bonding and permit review of this Plan. The Division recognizes that the USFS will hold the bond for this operation and will not require a separate surety, if the surety being held is in a form and amount acceptable to the Division. This bond may be held jointly, or if the USFS agrees not to release the bond without written Division consent, the USFS can be named solely on the reclamation bond. The Division requests the information used and a copy of the bond calculations for this permit. It is understood that the Division will notify your office of any permitting concerns we may have, and in turn, your office, acting as "Lead Agency" will notify the operator accordingly.

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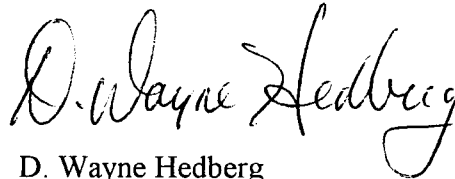
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Thank you for your cooperation. When you receive further information for this operation, please notify us so we will be able to update our files. Please reference our designated file number S/013/002 when forwarding additional information on this project to us.

Sincerely,

A handwritten signature in cursive script that reads "D. Wayne Hedberg". The signature is written in black ink and is positioned above the printed name and title.

D. Wayne Hedberg

Permit Supervisor

Minerals Regulatory Program

jb

cc: Peter Kandarisi, Uintah Mountain Copper
S13-02-amdrv